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CENTRAL INTELLIGENCE AGENCY

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SOURCE Kung-shang Jih-pao.

MERCHANT REPORTS ON  
WU-HSI AFTER COMMUNIST OCCUPATION

The following version regarding conditions in Wu-hsi, Kiangsu Province, after the Communist occupation on 23 April was given by a merchant who recently returned from that city:

"Because the occupying forces were mostly inexperienced boys in their late teens, the preservation of order during the occupation period was left largely to the local militia. After a week, the Communists assumed full control but few experienced administrative personnel had been sent to the city.

"After the Communists took over all newspaper firms, the Su-nan Jih-pao (South Kiangsu Daily) was put into circulation. Since it only gives coverage of Communists' ideology and military successes, its popularity with the people is negligible. The businessmen have reopened their shops, but trade is carried out only on a limited scale. They are still confronted with the problem of paying their employees. Factories have resumed operation but are permitted to sell their goods only to the designated Communist trading company.

"Although IMF gold-yuan certificates were allowed to circulate as legal tender until 13 May, all merchants immediately refused to accept them. This resulted in trade confusion.

"The biggest boom was enjoyed by the amusement places which realized an unprecedented business. Many of the Communist troops who patronized these places were overwhelmed by the gadgets of modern civilization."

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